

**Strategic Outreach Action Plan:
Reaching the African-American Community
in Georgia**

Summary

**U.S. Small Business Administration
July 2004**



Executive Summary

Over the past several years, the U.S. Small Business Administration (SBA) has sought to ensure that its programs and resources are available to and used by various sectors of the small business community. In January 2003, as part of this continuing effort to expand both the awareness and use of SBA programs and services by Georgia's African-American business community, the U.S. Small Business Administration Regional and Georgia District Offices convened a task force of community leaders to examine outreach strategies geared towards African-American owned businesses. The group was charged with reviewing and analyzing past outreach efforts as well as generating new or revised strategies targeting the African-American business community.

The membership of this working group came from business, government, and economic/community development organizations from metro Atlanta, Augusta, and Savannah. In Phase One of the Task Force's work, the group met monthly. Work in these meetings included:

- Defining the Task Force's objectives and expected outcomes
- Assessing the needs of the African-American business community
- Identifying effective outreach strategies; and
- Identifying key stakeholders in the African-American community

Phase Two of the Task Force's work started with the SBA's Georgia District Office's developing an initial draft of a Strategic Outreach Action Plan. Phase Three entailed several focus group meetings being held in metro Atlanta and other parts of the state where there is a sizeable African-American population. These focus groups served as a forum in which the Task Force's discussions, initial findings and recommendations were shared with local stakeholders—representatives of the business, economic, and community development arena as well as individuals from political and religious institutions. The SBA Georgia District Office incorporated the comments received from the various focus groups into the Strategic Outreach Action Plan it will be charged with implementing. While the monthly meetings of the Task Force are terminated at this point, the SBA will continue to call upon its members periodically for advice as well as provide periodic updates on the implementation of the Plan and its subsequent results. Outside metro Atlanta, the various focus groups around the state will also form the nucleus of area advisory groups to provide ongoing feedback to the SBA and to whom the SBA will communicate the progress of this initiative. The SBA Georgia District Office and Southeast Regional Office will work with the Agency's leadership in executing the Action Plan.

The SBA is pleased to present this initial Action Plan to major stakeholders in the business and economic development process within the African-American community. This document is not the end of a short-term process, but rather the beginning of a long-term effort. It is a living and flexible guide that will change and grow as new opportunities and issues present themselves.

Findings

Utilization of SBA Major Programs by African Americans

In public policy, the traditional measure of fair participation in an activity or distribution of program resources is that the participation rate of a particular group or percentage of a resource provided to a group is equal to the percentage of that group in the general population.

According to the 2000 U.S. Census, African-Americans comprised 28.7 percent of the Georgia population. The most recently available Survey of Black-Owned Businesses, also published by the U.S. Census Bureau, shows that African-Americans own 9.8 percent of Georgia's businesses.

Regarding use of SBA's programs and services:

- The percentage for the number of SBA 7(a) guaranteed loans to African-American's for the past five years (10.9 percent) exceeded the percentage of African-American businesses. The percentage of total loan dollars guaranteed under that program (7.5 percent) falls below that percentage.
- The percentage of both total number (8.5 percent) and total dollars (7.1 percent) to African-Americans under the 504 loan program (long-term, fixed assets) during the same period fall under the percentage of African-American businesses.
- The African-American participation rate in using the counseling and training services of the Small Business Development Center network for the past four years (14.7 percent) exceeds the percentage of African-American businesses. For use of SCORE programs and services, the participation rate for African Americans was about 56 percent for the same period.

- The participation rate for African-American businesses in the Section 8(a) government contracting/business development program in Georgia was 75.6 percent. Total contract dollars awarded to African American firms in the program is 29.2 percent.
- The participation rate in the Surety Bond Guaranty program for number of bond guarantees (27.6 percent) and total guarantee dollars (26.3 percent) in total guarantee dollars exceed the percentage of African-American businesses.

Plan Goals and Objectives

Goal

Increase use of SBA's programs and services in Georgia's African-American community, particularly the SBA's loan guarantee programs.

Objectives

During the discussions on the Task Force, five basic themes emerged regarding the challenges and needs of prospective and current African-American business owners. Those themes are the basis for the following objectives:

1. Support training and counseling approaches best-suited for African-American businesses at various stages of development.
2. Adapt SBA's marketing and outreach activities to better reach various facets of the African-American business community.
3. Heighten and improve the SBA's image through public communication activities in African-American oriented media.
4. Promote partnership development and coordination of efforts with other business development organizations to form an effective "continuum of assistance" and help clients navigate these various resources.
5. Work with SBA lenders to increase their lending activity in the African-American community.

Initial Implementation Strategies

Counseling and Training

- Recruit graduate African-American students from colleges and universities in Georgia and other business professionals to mentor businesses at various stages of development.
- Develop and pilot specialized training focusing on topics of importance to African-American businesses. Topics would include:
 - Credit Education (currently being done in the SBA Georgia District Office)
 - Business Protocol and Conduct
 - How To Read Financial Statements
 - Business Planning/Strategic Planning
 - How To Monitor Business Finances and Operations
 - Making the Transition from Self-Employment to CEO
 - Technology for Small Business
 - Forming Strategic Alliances

Longer term efforts will be made to utilize video teleconferencing and online video streams as a means of providing the widest availability of these trainings. These efforts will be contingent upon agency funding and/or ability to obtain cosponsorship support.

- Initiate/expand basic business training to the vocational training students.
- Recruit additional African-American volunteers to serve as SCORE counselors.

Marketing and Outreach

- Establish an ongoing outreach initiative targeting African-American churches and other religious institutions involved in business and economic development.
- Continue to identify and participate in events with a high African-American participation.

- Distribute information and training on SBA programs and services to CPAs, attorneys, business consultants, etc. with a high percentage of African-American clientele.

Public Communications

- Develop state director columns on SBA and various topics of importance to African-American businesses and articles on SBA African-American client success stories.
- Establish Speakers' Bureau for success stories to participate in training and outreach activities.
- Develop brochure or CD highlighting major SBA programs and services and highlighting African-American success stories.
- Expand the type of outlets for distributing information on the SBA's programs and services to include nontraditional centers and gathering places in the African American community.

Partnership Development and Coordination

- Develop a lender database with underwriting criteria and lending preference profiles for lenders.
- Develop a "catalog" of state and local loan and technical assistance programs.
- Creation of a "Small Business Assistance Consortium" – a semi-formal network of technical assistance and other business development resource organizations. To become a "member" of the consortium, the technical assistance provider or business development resource will complete a 1-2 day orientation/ training on SBA's programs and services. Consortium members would continue to receive program updates and other training opportunities.
- Continue to identify and establish working partnerships with African-American oriented business organizations.

Lender Partnership Development

- Continuing utilizing SBA lenders' roundtables, the newly establish Lenders' Quality Circle, lenders' newsletter, etc. to educate lenders on various technical assistance resources available to assist businesses not yet bankable.
- Explore feasibility and develop concept of online loan referral system to assist prospective borrowers in shopping their deal with several lenders simultaneously
- Assist SBA Certified Development Companies in marketing the SBA 504 loan program to prospective African-American borrowers looking for long-term, fixed asset financing.

Success Measurement

Expected Outcomes

1. Raise the percentage of SBA loan numbers and/or dollars to African-American borrowers to equal the percentage of African-American businesses in Georgia (according to most recently available figures, 9.8 percent) over the next three years.
2. Increase the number of publicized SBA African-American success stories by 25% percent over FY 2003.

Outcome Evaluation Methods

1. Bi-annual review and evaluation of plan implementation by the Task Force.
2. Conduct survey of clients and/or other resource providers to solicit their feedback by the end of the 2nd quarter FY 2005.

Taskforce Members

Nuby Fowler - Chair
Terri Denison – Co-Chair

Chris Morris
Art Brown
Charles Blackmon
Eric Bonapart
Melvin Griffin
Joyce Edwards
Deborah McIntosh
Derek Grayson
Ike Washington

Noble Benefield
George Andrews
Marvin Bryant
Leona Barr Davenport
Todd Gaines
Mel Solomon
Constance Coleman
David Holt